

**REPUBLIC GOLD  
LIMITED**

**ABN 86 106 399 311**

**2007 ANNUAL REPORT**

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Peter Alan Wicks  
Non-Executive Chairman

John Peter Kelly  
Managing Director

Gregory Joseph Barns  
Non-Executive Director

### **COMPANY SECRETARY**

Roslynn Judith Shand

### **REGISTERED OFFICE**

144 Cobra Road  
Mareeba QLD 4880  
Telephone: (07) 4092 2594  
Facsimile: (07) 4092 3797

### **SOLICITORS**

Phillips Fox  
Collins Street  
Melbourne Vic 3000

### **AUDITOR**

Draper Dillon  
4<sup>th</sup> Floor, 499 St Kilda Road  
Melbourne VIC 3004

### **SHARE REGISTRY**

Link Market Services Limited  
Level 4, 333 Collins Street  
Melbourne VIC 3000

### **CORPORATE ADVISOR**

Carling Capital Partners  
3 Spring Street  
Sydney NSW 2000

### **ASX CODES**

RAU - Ordinary Shares

RAUO – Options expiring  
30 November 2008

### **PRINCIPAL PLACE OF BUSINESS**

144 Cobra Road  
Mareeba Qld 4880  
Telephone: (07) 4092 2594  
Facsimile: (07) 4092 3797

## **CONTENTS**

<b>CHAIRMAN'S REPORT</b>	<b>1</b>
<b>REVIEW OF OPERATIONS &amp; DEVELOPMENTS</b>	<b>2-7</b>
<b>MINERAL RESOURCE STATEMENTS</b>	<b>7-8</b>
<b>SCHEDULE OF TENEMENTS</b>	<b>9</b>
<b>CORPORATE GOVERNANCE STATEMENT</b>	<b>10-12</b>
<b>DIRECTORS' REPORT</b>	<b>12-17</b>
<b>INDEPENDENT AUDIT DECLARATION</b>	<b>17</b>
<b>INCOME STATEMENT</b>	<b>18</b>
<b>BALANCE SHEET</b>	<b>19</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>20</b>
<b>CASH FLOW STATEMENT</b>	<b>21</b>
<b>NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS</b>	<b>22-35</b>
<b>DIRECTORS' DECLARATION</b>	<b>35</b>
<b>INDEPENDENT AUDITORS REPORT AND DISCLAIMER</b>	<b>36</b>
<b>ASX ADDITIONAL INFORMATION</b>	<b>37</b>

## Chairman's Report

Republic Gold has emerged from a difficult year in a strong position. The Company is focusing on the exploration and development of its gold and tungsten projects in Far North Queensland and continues to look for other opportunities that make sense for us to pursue.

The highlight of the 2006-07 year was undoubtedly a very successful Rights Issue that raised \$3.4 million and closed heavily oversubscribed in late June. I would like to take this opportunity to again thank shareholders and applicants for their strong support of the Rights Issue.

The funds raised are being used by management to continue with the exploration and development of the Company's projects in Far North Queensland, and to advance the Company's copper and gold project in New South Wales and the uranium interest in South Australia. Funds will also be used to seek new opportunities that clearly fit within the Company's growth strategy.

As you are aware, during the past year, the Company concentrated its efforts on gold projects in Bolivia through its strategic alliance with Luzon Minerals Limited of Canada. Negotiations with Luzon on the proposed combination of the two companies broke down early this year resulting in the Company announcing a hostile takeover bid for Luzon in March. The Company strongly believes in the projects that Luzon has an interest in, but it has not been possible to finalise any sort of transaction with Luzon that would see the Company rewarded for its significant efforts on Luzon's projects. At this stage the Company is not seeking to further any working relationship with Luzon and instead is working with its lawyers seeking to have Luzon pay its significant debt to the Company, which is in excess of \$2.0 million.

Republic Gold is well placed to now bring its Far North Queensland projects into production. At the time of writing the Company is drilling at its gold and tungsten projects in FNQ with a view to increasing resources. The Company is continuing to negotiate with the Nicholson Group of companies to secure mining leases that cover the Mt Carbine tungsten deposit and former mine. At the time of its closure in 1986 the Mt Carbine tungsten mine was believed to be one of the largest in the world. In seeking to acquire and develop this asset, the Company is seeking to take advantage of the strong global market for tungsten which has seen the price rise from around US\$65-95 per metric tonne unit ("mtu") in 2004 to approximately US\$240 per mtu today.

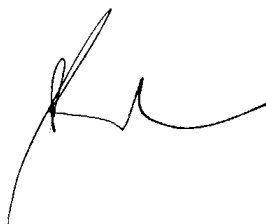
There are two matters of some significance to the Company which have occurred since June 30 2007.

Firstly, we now have announced, subject to shareholder approval, a placement of 60 million shares to a group of largely Malaysian investors. At the share price on the day the placement was announced, this will raise approximately \$1.5 million for the Company and the funds will be used to complete due diligence on the Mt Carbine project and for drilling on the Company's Whumbal West tungsten deposit.

Secondly, Chris Roberts, one of the Company's founding directors, resigned for personal reasons in August. I would like to take this opportunity to thank Chris for his outstanding contribution to the Company both as the director responsible for exploration and at a corporate level. Fortunately for the Company, Chris continues in the role of Chief Geologist.

The gold price is showing considerable promise with many commentators looking to a price of US\$1,000 per ounce. Finally, having now come through a difficult period, I think it is fair to say that we can look forward to the next 12 months with a healthy degree of optimism. I look forward to working with all shareholders on making sure that this is a good year.

Thanking you



**PETER WICKS**

**CHAIRMAN  
REPUBLIC GOLD LIMITED**

## **Review of Operations and Development**

The first half of the year saw the Company's technical staff focus on the Luzon Minerals' properties in Bolivia. Technically, these properties, particularly the Lipichi property, were outstanding prospects. Unfortunately, no accommodation could be arrived at with Luzon to combine the two companies as had been hoped. With the failure of this transaction, the second half of the year saw a renewed focus on the tungsten potential of the Company's Hodgkinson Basin project areas and plans to drill the two main gold projects.

### **Hodgkinson Basin – Far North Queensland**

#### **Introduction**

The Company has an extensive land portfolio in the Hodgkinson Basin covering approximately 4,700 square kilometres, see the figure below. This ground is either held outright or in joint venture. Since the Company floated in 2004 it has concentrated its Hodgkinson Basin efforts on the Northcote and Tregoora Gold Projects. More recently an active programme aimed at developing resources of tungsten has been commenced.

#### **Hodgkinson Basin Gold Projects Development – Northcote and Tregoora Gold Projects**

Whilst the Company concentrated a lot of its efforts on the failed Luzon merger during the year under review, work continued in the Hodgkinson Basin, albeit at a reduced pace. No drilling was done but considerable fieldwork was performed on both the Northcote and Tregoora Projects. Much of this work was aimed at extending geochemical surveys at both projects in order to provide drilling targets for the 2007 field season.

Pre-feasibility study work on project development continued throughout the year. A preliminary economic analysis has indicated that the Hodgkinson Basin Project is likely to be cash positive at the then-current gold prices and the capital costs of establishment mean that economic returns would be considerably improved by the addition of more resource ounces, or obviously a higher gold price. Since these studies were completed the gold price has increased by approximately 8% in Australian dollar terms. Feeding this price increase into the financial model sees an increase in the estimate of total gold mined by 20% and project net revenue by 17%. This demonstrates the sensitivity of the projects to the rising gold price.

The Company believes that further drilling, in targeted areas, will provide the necessary increase

in gold resource to produce an adequate return on the expected capital outlay for the projects. If the resource base can be increased, then coupled with a rising gold price the projects will look robust.

Soil sampling at Northcote defined an anomalous zone at least 400 metres in length along the southerly extension of the Black Bess deposit. A Stage III drilling programme was designed for Northcote for the 2007 field season.

Drilling is planned to be carried out here in conjunction with a programme to test trend and plunge extensions of the East Leadingham deposit, the highest grade deposit at Northcote. This deposit was previously mined for oxide mineralisation yielding an average grade of 9.8 Au g/t and remains one of the most attractive targets in the region both along trend and at depth.

Infill geochemical sampling at Tregoora was highly successful, with this work highlighting a number of the new drilling targets over 7 kilometres of the Retina Fault. This work indicated a new anomaly over 600 metres in length north of the existing resources at Tregoora. The Retina Fault is a major fault in the Hodgkinson Basin, striking over some 50 kilometres and is considered by the Company to be a prime target for additional gold resources.

The +120,000 ounce gold resource at Sleeping Giant covers a distance of only 1.2 kilometres of the Retina Fault. The extent of the new geochemistry on the Retina Fault provides potential for a significant resource increase.

Metallurgical testwork continued in the early part of the year and saw the successful conclusion of testwork on the Northcote Project. The final GEOCOAT® metallurgical test, a pilot plant scale six-metre high bacterial oxidation column test, resulted in an oxidised product which gave a gold dissolution of 90%. Gold dissolution of the concentrate prior to bacterial oxidation resulted in only 10% gold extraction. This bacterial oxidation upgrade is an excellent result.

The year has seen a significant development for the GEOCOAT® process. GBS Gold International Inc, a Canadian company working in Australia, has announced that it is proceeding with seeking Board approval for the construction of a GEOCOAT® plant to treat refractory ore at it's Maud Creek Gold Project in the Northern Territory. Detailed engineering for a treatment plant is well underway and testwork using the GEOCOAT® process on Maud Creek mineralisation has confirmed anticipated results. Maud Creek would become the world's second mine using GEOCOAT® technology.



#### **Pilot Plant Scale GEOCOAT® Test Columns**

Continued interest has been expressed by a number of Chinese smelting companies in the Company's Far North Queensland antimony resources. The Company has supplied a sample of antimony concentrate from the Northcote Project to one Chinese smelting company for testwork. The smelting company was very pleased with the quality of the concentrate and has expressed interest in securing a contract for any antimony concentrate that the Company can produce. In this time of short supply of concentrates to Chinese smelters the Company is confident that a favourable smelting contract for any antimony concentrate that can be produced can be struck at the appropriate time.

The Queensland EPA has speedily assessed the Company's applications for environmental permits for the Northcote and Tregoora Projects and importantly has determined that no Environmental Impact Statement is required. This is a significant decision for the projects, as the Environmental Impact Statement process can be a lengthy permitting process. The Queensland EPA's decision will greatly accelerate the possible development of the projects. This assessment has been made in accordance with section 162 of the Environmental Protection Act 1994.

The Hodgkinson Basin gold and antimony resource base was not increased during the year as no new drilling was carried out. Details of the now-high quality resource are found in the table on pages 7 and 8. The Company's equity shares of gold and antimony resources stand at approximately 441,000 ounces of gold and 8,000 tonnes of antimony.

## **Regional Hodgkinson Basin Exploration Programme**

In the previous year the Company interrogated its BHP-Billiton regional database for tungsten. Six encouraging tungsten anomalies were developed from this interrogation in tenements to the east of Tregoora.

Initial fieldwork has now confirmed the regional potential of the Hodgkinson Basin for tungsten and tin (commonly associated with tungsten) as well as gold and antimony.

The tungsten search is important due to the near proximity of Vital Metals Watershed deposit, which is largely enclosed within Republic's EPM 14735.

The price of tungsten minerals and products has risen sharply in recent years along with the price of nearly every other metal. The price of tungsten ore concentrate has risen from approximately US\$65-95 per mtu in 2004 to a current price of approximately US\$240 FOB per mtu.

Prior to the commencement of the 2007 field season, the Company applied for a new exploration permit, EPM 15903, that it considers highly prospective for tungsten mineralisation. This EPM has yet to be granted. This EPM is on strike and to the south of the Watershed Project.

The Company's geologists have reported float samples in the new EPM that visually contain high grade wolframite with abundant scheelite (tungsten oxide minerals). The new EPM area applied for covers 385 km<sup>2</sup> and contains a number of lineaments considered favourable for tungsten. There are a number of elevated stream sediment anomalies and structural trends that occur under cover in this new EPM area that require follow-up when the EPM is granted.



#### **Wolframite Specimen**

When the exploration field season was able to be commenced, the Company sampled a new tungsten prospect, Whumbal West, located on EPM 14737, 100% owned by the Company.

This sampling resulted in the Company receiving highly encouraging analysis results from this initial field programme. Soil sampling has indicated a continuous tungsten anomaly over a strike length of 3,500 metres that is still open along strike to the north and south and across strike to the west on some sample lines.

The Whumbal West scheelite-bearing prospect was sampled on 7 sample lines across 1,100 metres of the mineralisation with 372 soil samples being taken. The resultant analyses indicated a strong and continuous anomaly over 6 of the 7 sample lines, i.e. 3,000 metres of strike, with weaker results on the southern-most line, Line 6. The strongest results are in the northern-most line (Line 7) indicating that further sampling is warranted to the north, which has now been done. This line shows anomalous results over a width of 550 metres. On all but Line 7, the anomalous results warrant further sampling to the west, which has also been done.

Based on the advice of the Company's assay laboratory, ALS Chemex, the Company re-ran the initial analysis for tungsten ("W") and tin ("Sn") on the samples collected from Whumbal West. The new analysis results used an XRF analysis method. This alternative and more accurate analysis technique has resulted in a significantly stronger anomaly at Whumbal West than was previously indicated.

This alternate analysis technique has increased the magnitude of all samples above 20ppm W by 1059%. Previously there were 41 samples that analysed at or above 20 ppm W. Using the XRF analysis method there are now 109 samples that result at or above 20 ppm W. There are now also 48 samples that analyse at or above 50 ppm W, previously there were only 19.

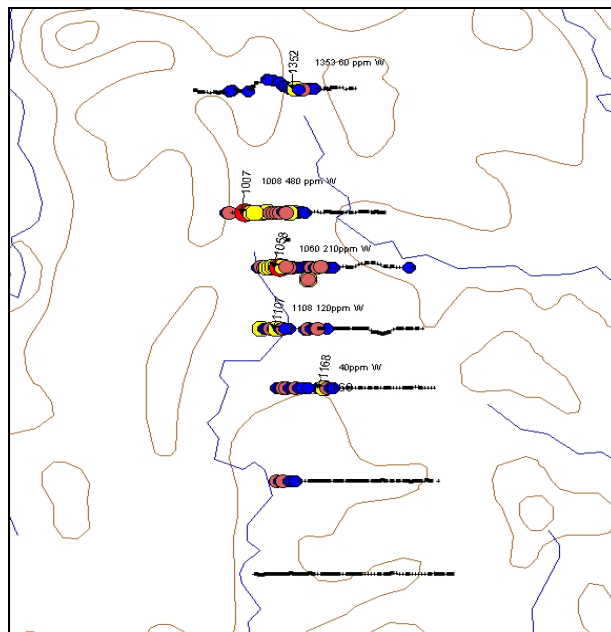
The alternate analysis technique had an even more emphatic impact on the tin results. Generally the tin analyses were upgraded by between 500 and 1,000%. The occurrence of tin with tungsten is common. The higher grade tin samples are generally coincident with the higher grade tungsten samples.

The Whumbal West prospect is now to be drilled by the Company.

The Whumbal West samples are soil samples. Typically soil sampling results are lower in grade than the drillhole results obtained from drilling any deposit. As an example, the Company's gold projects have soil sampling results measured in parts per billion (ppb), whilst the drillhole grades are measured in parts per million (ppm) or grams per tonne. Meaning the drillhole grades are normally 100 to 1,000 times (2 to 3 orders of magnitude) higher than the soil sampling results. The typical grade of a tungsten deposit can vary

from 0.1% to 0.5% WO<sub>3</sub>, or 1,000 to 5,000 ppm. The better soil sampling results at Whumbal West range from 50 to over 250 ppm, or only approximately one order of magnitude, meaning the Whumbal West soil anomaly is particularly strong.

The analyses from the laboratory are quoted as "W", or elemental tungsten. A tungsten deposit is conventionally quoted in terms of "WO<sub>3</sub>", or tungsten trioxide. The conversion factor from W to WO<sub>3</sub> is 1.2616. Hence 100ppm W is equivalent to 126ppm WO<sub>3</sub>.



**The Whumbal West Tungsten Anomaly**

### **Mt Carbine Option**

In late May the Company signed a 3-month exclusive option agreement to review the assets of the Nicholson group of companies, which include the mining leases that cover the former Mt Carbine tungsten mine, with a view to making an offer to purchase these assets. This option was extended by a further 3 months to December 2007.

In signing the option, the Company saw the Mt Carbine assets as a significant and strategic mineral asset in the area of operation of the Company in Far North Queensland.

The Mt Carbine tungsten mine operated as an open cut mine from the early 1970s until 1986 when it closed due to the low tungsten price. During its last 9 years of operation it is believed to have been one of the major tungsten mines in the world. At the time of closure the mine was well advanced with underground development for a major underground mining operation. The mine is believed to have treated approximately 13.5M tonnes of ore and produced approximately 1M mtu's of WO<sub>3</sub>. At the height of open pit production over 2M tonnes of ore were mined per annum.

The Company paid \$15,000 and issued 500,000 shares for this exclusive option, with a further 500,000 shares issued to extend the option.



### The Mt Carbine Open Pit

The significant assets of the Mt Carbine mine are as follows: -

- Two granted mining leases covering all the former workings that have both recently been renewed until 2022 and 2023 respectively.
- The significant infrastructure advantages of the bitumen Peninsula Development Highway bisecting the project area and the new high voltage power line supplying Cooktown paralleling the Highway.
- Mineralisation remaining in the open pit at the time of closure.
- A fully designed underground mine with two underground stopes defined in this design.
- A 6.0 x 4.5 metre decline approximately 400 metres long.
- Approximately 1M cubic metres of tailings on the No 4 tailings dam containing scheelite that is visible with UV light.

The significant tonnages outlined at the time of the mine closure are not considered JORC-compliant resources at this stage and hence cannot be quantified as such in this report.

The Company plans to assess the extent of mineralisation and capacity for defining resources and to work on significant elements of a pre-feasibility study as part of its due diligence, including carrying out some drilling.

The assets of this group also include a number of quarrying and earthmoving contracting businesses.

Historically, the quarrying and earthmoving contracting businesses have been sufficiently profitable to cover the overhead running costs of the Company, with the potential purchase of these assets ensuring that the funds thereby released in

the Company can be expended on project development.

The quarrying and contracting businesses are centred on the Mt Carbine mine where waste rock (hornfels) and tailings are being crushed and screened to produce a wide range of high quality road works products. The Mt Carbine quarry is the northern-most significant hard rock quarry on Cape York and provides its products many hundreds of kilometres north into the Cape. There is a second quarry at Mossman where sandstone is quarried and blended with Mt Carbine rock for sale in the Douglas Shire.

The Company has made significant progress in its due diligence efforts over the last three months. Specifically the following have been achieved: -

- ◆ Located, purchased and catalogued a significant volume of technical reports and plans.
- ◆ Held important discussions with former senior staff of RB Mining, the previous mine operator.
- ◆ Carried out preliminary metallurgical testwork on the tailings, which indicated reasonable metallurgical recoveries.
- ◆ Collected a further sample of tailings for a second phase of testwork.
- ◆ Performed a preliminary evaluation of the remaining diamond drill core at Mt Carbine.
- ◆ Finalised a valuation on the plant and equipment involved with the quarrying and contracting businesses.
- ◆ Involved consultants to review the quarrying and contracting businesses.
- ◆ Engaged metallurgical, mining and geological consultants to review the data on Mt Carbine.
- ◆ Continued with discussions with potential Chinese investors.
- ◆ Engaged in financing discussions with the Company's bank.

In continuing its due diligence, the Company will carry out considerable further work, such as: -

- ◆ Drill a small number of holes to confirm the grade of the mineralisation and of the No 4 tailings dam and provide samples for metallurgical testwork.
- ◆ Build a preliminary tungsten resource model for Mt Carbine to attempt to verify resources reported in the 1980s and run some preliminary economics on the project.
- ◆ Complete further metallurgical testwork from the recently collected tailings sand sample and do testwork on mineralisation samples collected by the drill.
- ◆ Arrange further valuations.

- ◆ Complete negotiations with the bank for financing.
- ◆ Complete negotiations with the Chinese, if necessary.
- ◆ Complete the business review being done by the Company's quarrying and contracting consultants.
- ◆ Access the broader exploration potential of Mt Carbine.



**A Google Earth Image of the Mt Carbine Mine Site**

### Future Work Programme In the Hodgkinson Basin

Exploration and development work in the 2008 year is planned to:

- ◆ Drill test new targets defined by the geochemical programmes at both Northcote and Tregoorra.
- ◆ Carry out in-fill drilling in areas at both Northcote and Tregoorra where resources have been defined in order to maximise the amount of resource that can be classified as measured and indicated. The Company is targeting a resource base of 750,000 ounces of gold, at which stage it is believed that there is a sufficient quantity of resource to make development of an operation attractive.
- ◆ Drill areas where deeper potential exists at Northcote and Tregoorra.
- ◆ Provide further samples for metallurgical testwork from Tregoorra.
- ◆ Drill the Whumbal West tungsten prospect.
- ◆ Conclude the due diligence on the Mt Carbine project and assess the merits of a potential operation.
- ◆ Assess and advance prospects on gold, antimony and tungsten in regional areas.

## New South Wales

### Lucky Draw - EPM 6463

The Lloyds Mine at Burruga was an underground mine that worked a rich copper shoot intermittently from 1870 to 1927, reportedly producing over 500,000 tonnes at 3.7% Cu and was the focus of the NSW copper industry at the turn of the century. Substantial exploration was carried out at Burruga in the 1960's to 1980's. This work indicated a significant area of copper anomalism around the historical mine extending over 2 kilometres to the north of the old mine. This has been confirmed in places by drilling. However, the drilling was relatively sparse and where it was near the main shoot of the old mine the drilling was nearly all at shallow depths of less than 60 metres below the surface. There has been no testing of the deeper down-plunge extensions of the rich shoot. Drillholes through previously worked areas in the near surface part of the main shoot (which were not assayed for gold) gave encouraging downhole intersections such as SP2 34.1m @ 1.49% Cu (close to true width); SP1 6.1m @ 0.81% Cu and 6.1 m @ 1.00% Cu; UP5 9.45m @ 1.74% Cu (hole ended in mineralisation); UP9 9.45m @ 0.92% Cu; UP12 7.0m @ 0.83% Cu; UP15 3.35m @ 1.9% Cu; UP14 0.6m @ 4.0% Cu; UP2 4.88m @ 0.85% Cu; UP8 6.7m @ 0.63% Cu (hole ended in mineralisation).

Holes were generally oblique to mineralisation, but the downhole intersections above are mainly close to true width.

Past scout drilling of the widespread anomalism around the mine also gave some encouraging intersections such as 6.0 m @ 1.48% Cu and 16 g/t Ag from 150 m (no gold assays; hole P22) and 5.0 m @ 1.87% Cu, 28 g/t Ag and 1.88% Zn from 59 m (no gold assays; hole P27), supporting the potential for new high grade deposits. Samples of smelter slag dumps from past mine treatment contain values of 0.8 -1.8% Cu and 0.1 – 0.3 Au g/t.

The mineralisation is hydrothermal Cu-Au style with a suggested deeper porphyry intrusive source, similar to most of the major discoveries in NSW over the last 20 years.

Detailed collation of past work over a number of well defined targets for copper-gold mineralisation was carried out to create new block models for updated resource analysis at the current gold price and for exploration targeting.

An issue arose late in the year with regard to tenure over one of the resources in the tenement, covering tailings. This was taken up with the NSW Department of Minerals unsuccessfully.

## South Australia

### Callabonna Uranium

As well as exploring its original projects, the Company has added to its portfolio by taking a 35% interest in a Callabonna Uranium Pty Limited which has an extensive ground position in the Curnamona Basin in South Australia. Callabonna Uranium proposes to explore for uranium once the tenements are granted. Callabonna Uranium is currently undertaking an IPO.

## Community, Human Relations & Safety

Republic Gold remains strongly committed to its responsibility to the community in which it operates and to the principles of sustainability. During the past 12 months, Republic Gold has continued to support community and environmental projects in the Mareeba district.

Republic continues to look at economic and community based initiatives to assist the

Indigenous communities of the Mareeba Shire. The Company employs a number of people from the local indigenous community, training them in field and office exploration skills. The Company has also concluded access agreements with native title representative groups and believes that its success is largely due to the very positive relationships built-up quite quickly with the Northern Queensland Land Council and the Western Yalanji Peoples, the local Indigenous group in a large part of the country the Company is exploring in.

Republic Gold was again a major sponsor of the Mareeba to Chillagoe Great Wheelbarrow Race traversing 149 km's of road to Chillagoe and is also a member of the Mareeba Shire Chamber of Commerce.

There were no lost time injuries at the Company's exploration sites during the year and the Company continued to train staff on workplace safety and safe working practices and encourage active participation in this.

## Mineral Resource Statement Mineral Resources at 30 June 2007 – Resources – equity share

### Gold Resources

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	GOLD
	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	Ounces
TOTAL NORTHCOTE <sup>1</sup>	1,295	2.3	1,056	1.8	635	1.8	2,986	2.0	195,000
TOTAL TREGOORA	---	---	1,605	1.8	1,242	1.6	2,847	1.7	156,000
ATRIC <sup>1</sup>	---	---	890	1.9	46	1.7	936	1.9	57,000
REEDY-HURRICANE	---	---	---	---	797	1.3	797	1.3	33,000
<b>TOTAL HODGKINSON BASIN</b>	<b>1,295</b>	<b>2.3</b>	<b>3,550</b>	<b>1.8</b>	<b>2,721</b>	<b>1.5</b>	<b>7,566</b>	<b>1.8</b>	<b>441,000</b>
TOTAL LUCKY DRAW NSW <sup>2</sup>	---	---	176	2.2	490	2.9	666	2.7	57,000
<b>TOTAL MINERAL RESOURCES</b>	<b>1,295</b>	<b>2.3</b>	<b>3,726</b>	<b>1.8</b>	<b>3,211</b>	<b>1.7</b>	<b>8,232</b>	<b>1.9</b>	<b>498,000</b>

### Antimony Resources

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES
									Sb
<b>NORTHCOTE CONTAINED ANTIMONY</b>	<b>1,295</b>	<b>0.3</b>	<b>1,056</b>	<b>0.2</b>	<b>635</b>	<b>0.3</b>	<b>2,985</b>	<b>0.3</b>	<b>8,000*</b>

\* This tonnage equates to some 50,000 ounces of gold at a gold price of AUD\$860 and Sb price of US\$4,500/t Stibnite

#### Notes:

<sup>1</sup> Figures are Republic's equity share of these projects, being 75% of the Northcote and Lucky Draw projects and 90% of the Atric and Reedy projects.

<sup>2</sup> Resources for Lucky Draw have been estimated by a competent person in accordance with the JORC Code and have

been adopted for this report. The Company is in the process of making its own estimates by block modelling, but has no reason to doubt the existing resources at this stage. For the Northcote resources, allowances have been made for depletion by the recorded mining amounts for the 1990's Nitto campaign. Resources may not sum to equal totals due to rounding.

Location	Grade Interpolation Method	Section Spacing metres	COG g/t Au Oxide	COG g/t Au Sulphide	Oxide Density	Sulphide Density
<b>HODGKINSON BASIN</b>						
Northcote <sup>1</sup>	Block Model ID2	25	0.5	1.0	2.0	2.7
Tregoora	Block Model ID2	25	0.5	1.0	2.0	2.7
Atric	Block Model ID2	25	N/A	0.5	2.5	2.5
<b>LUCKY DRAW</b>						
Lucky Draw West	Contoured WAA	-	N/A	0.5	2.5	2.5
Hackney's Creek Upper Pod	Sectional WAA	25	N/A	0.5	2.5	2.5
Hackney's Creek Lower Pod	Sectional WAA	25	N/A	1.0	2.5	2.5

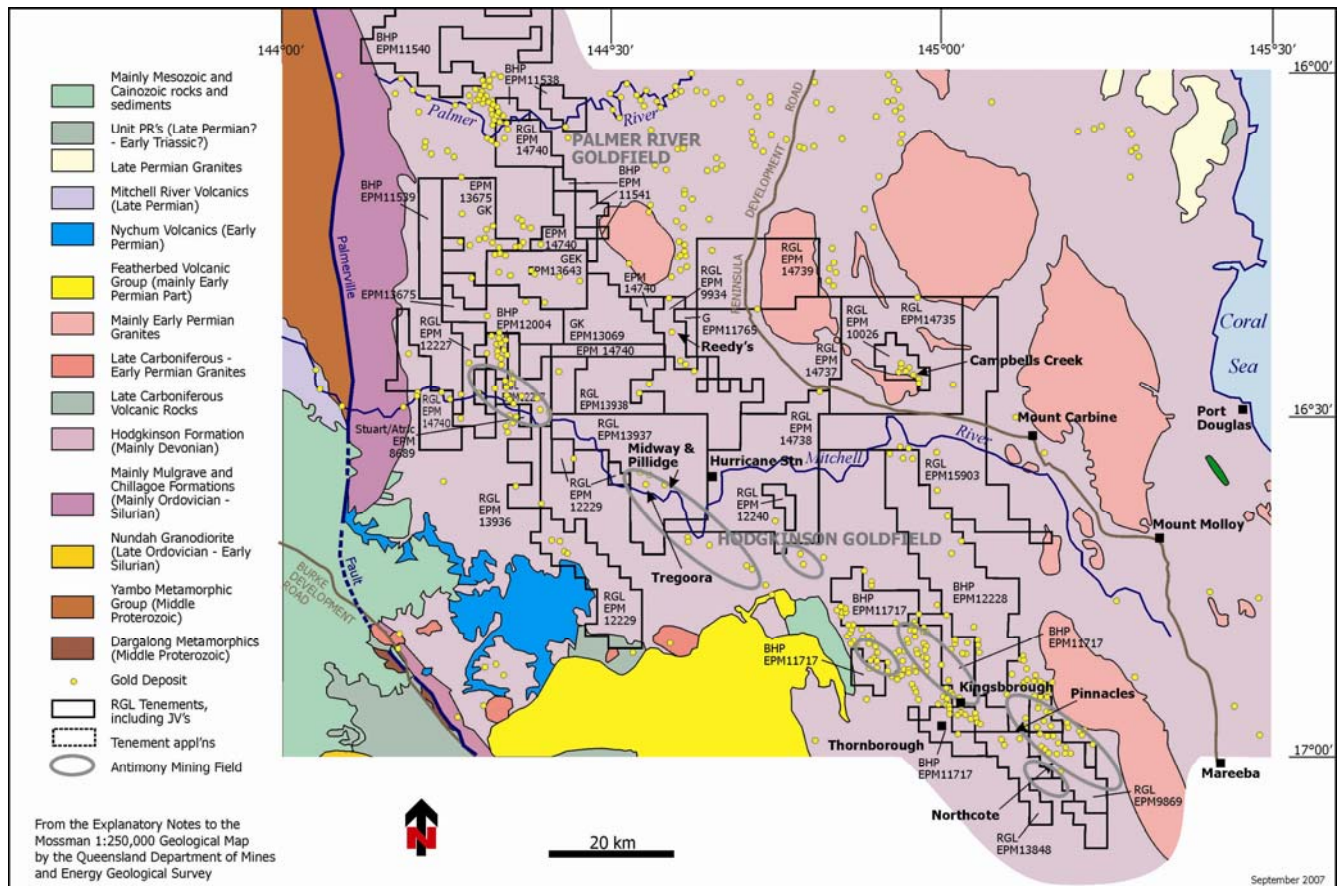
<sup>1</sup> Top cuts of 30g/t for East Leadingham and 15 g/t for Emily and Emily South were applied to composite grades for grade estimation with all other deposits at Northcote using 10g/t top cuts.

### Resource Estimation Parameters

#### Notes Accompanying The Mineral Resources Statement

Information in this report that relates to mineral resources for Republic Gold Limited is based on information compiled by Chris Roberts, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and on information estimated by Kerrin Allwood a member of the Australasian Institute of Mining and Metallurgy, both of whom have a minimum of five years experience in the estimation, assessment and evaluation of mineral resources and ore

reserves. Chris Roberts and Kerrin Allwood have significant experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Chris Roberts and Kerrin Allwood consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.



The Company's Tenements in Far North Queensland

**Schedule of Tenements as at 26 September 2007**

<b>Tenement Holder</b>	<b>Tenement No.</b>	<b>Project Name</b>	<b>Area Sq Kms/Ha</b>	<b>Republic Gold Interest</b>	<b>Status</b>
<b>Queensland</b>					
N.F Stuart*	EPM 8689	Atric	23	Earning to 90%	Granted
Republic Gold Limited	EPM 9869	Northcote	82	75%	Granted
	EPM 9934	Reedy Extended	43	90%	Granted
	EPM 10026	Campbell Creek	43	90%	Granted
	EPM 12227	Pinnacles	128	100%	Granted
	EPM 12229	Big Watson	178	100%	Granted
	EPM 13848	Northcote Extended	138	75%	Granted
	EPM 13936	Bellevue	63	100%	Granted
	EPM 13937	Ringer	306	100%	Granted
	EPM 13938	St George	118	100%	Granted
	EPM 14735	Mount Elephant	329	100%	Granted
	EPM 14737	Spring Creek	309	100%	Granted
	EPM 14738	Hodgkinson River	329	100%	Granted
	EPM 14739	Maitland Downs	211	100%	Granted
	EPM 14813	Spring Ck West	10	100%	Granted
	EPM 14740	Pinnacles Fill-In	260	100%	Granted
	EPMA 15903	David	385	100%	Application
	MLA 20525	Northcote	931 ha	100%	Application
	MLA 20526	Navan Hill	121ha	100%	Application
	MLA 20518	Tregoorra	457 ha	100%	Application
MLA 20514	Midway Honey	112ha	100%	Application	
BHP Billiton Minerals Pty Limited*	EPM 11538	Palmer	53	Earning to 90%	Granted
	EPM 11539	White Horse Creek	66	Earning to 90%	Granted
	EPM 11540	Maytown	253	Earning to 90%	Granted
	EPM 11541	Granite Creek	43	Earning to 90%	Granted
	EPM 11717	Mt Mulligan	240	Earning to 90%	Granted
	EPM 12004	Groganville	13	Earning to 90%	Granted
	EPM 12228	Monarch	329	Earning to 90%	Granted
GW Kelly	EPM 13069	Reedy West	109	100% of hard rock gold	Granted
GE Kelly	EPM 13643	Sandy Creek	122	100% of hard rock gold	Granted
GW Kelly	EPM 13675	Fine Gold Creek	237	100% of hard rock gold	Granted
Zeus Pty Ltd	EPM 13941	Reedy West	250	100%	Granted
Gateway Mining	EPM 11765	Tempest	16	90%	Granted
Gateway Mining	MDLA 254	Hurricane	250Ha	90%	Application
<b>Total</b>			<b>4,686</b>		
<b>New South Wales</b>					
Republic Gold Limited	EL 6463	Lucky Draw	45	75%	Granted
	ELA 2506	Fernleigh	27	75%	Application
<b>Total</b>			<b>72</b>		

\* The Company is earning an interest through a joint-venture agreement with the licence holder.

## CORPORATE GOVERNANCE

The Australian Stock Exchange Ltd (ASX) has published 10 essential corporate governance principles and best practice recommendations. Under ASX listing rules, listed companies are required to provide a statement in their annual reports disclosing the extent to which they have followed these best practice guidelines. In the following, the ASX principles and guidelines are listed together with the Company's response.

### **ASX Principle 1: Lay Solid Foundations for Management and Oversight**

1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.

*The Board is comprised of an Independent Non-Executive Chairman, one Executive Director and one Non-Executive Director. The full board meets on a regular basis for both management and board meetings. The Company operates with one executive director & one full-time senior employee.*

### **ASX Principle 2: Structure the Board to Add Value**

2.1 A majority of Board members should be independent directors.

2.2 The chairperson should be an independent director.

*The Chairman is independent. The other two directors cannot be classified as independent, however the size and scope of the Company's activities does not justify the cost of appointing two additional directors.*

2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual.

*The Company operates with a Non – Executive Chairman and a Managing Director. The Managing Director fulfils the role of Chief Executive Officer.*

2.4 The Board should establish a nomination committee.

*The role of the nomination committee has been assumed by the full Board. The size and scope of the Company's activities does not justify the establishment of such a committee.*

### **ASX Principle 3: Promote Ethical and Responsible Decision-Making**

Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:

3.1.1 The practices necessary to maintain confidence in the company's integrity.

3.1.2 The responsibility and accountability of individuals for reporting or investigation reports of unethical practices.

*In view of the size of the Company and the nature of its activities, the Board considers that an informal code of conduct is appropriate to guide directors, executives and employees in carrying out their duties and responsibilities.*

3.2 Disclose the policy concerning trading in company securities by directors, officers and employees.

*The Company has a formal policy which sets out time restrictions on share dealings. The Company policy is that of the Corporations Law and ASX Listing Rules which state that dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. Prior to any director trading in the Company's securities, that director must inform the other directors of his decision to trade.*

### **ASX Principle 4: Safeguard Integrity in Financial Reporting**

4.1 Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

*Due to the size and scope of the Company's activities and the size and structure of the Board, the financial reports are dealt with at Board meetings where the Managing Director reports first hand to the Board. The Board also to a certain extent relies on the auditors to ensure compliance with relevant accounting standards and gives full and complete co-operation to its auditors without absolving itself of its responsibility. The full Board takes responsibility for the accounts.*

4.2 The Board should establish an audit committee.

*In view of the size of the Company and the nature of its activities, the Board considers that establishing a formally constituted audit committee would contribute little to the effective management of the Company. Accordingly audit matters are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest). The Company uses the services of an independent audit firm that has only a small number of partners.*

## **ASX Principle 5: Make Timely and Balanced Disclosure**

5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

*Due to its size and structure, the Board is able to meet on a regular basis for both management and Board meetings to ensure compliance with ASX Listing Rule disclosure requirements.*

## **ASX Principle 6: Respect the Rights of Shareholders**

6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

*Information is communicated to shareholders through:*

- *the availability of the annual report to all shareholders,*
- *the half yearly report released to the ASX*
- *the annual general meeting,*
- *ASX releases in accordance with continuous disclosure obligations, and*
- *Information available on the Company's website.*

6.2 Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the audit and the preparation and content of the auditor's report.

*It is Company policy that the auditor attends the AGM and part of the agenda is the tabling of the accounts and inviting shareholders to ask the directors or the auditor any questions about the report including the audit report.*

## **ASX Principle 7: Recognise and Manage Risk**

7.1 The Board or appropriate Board committee should establish policies on risk oversight and management.

*In view of the size of the Company and the nature of its activities, the Board considers that establishing such a formally constituted committee would contribute little to the effective management of the Company. Accordingly risk oversight and management issues and policies are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).*

7.2 The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the Board in writing that:

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

*Due to the size and scope of the Company's activities and the size and structure of the Board risk management arrangements are dealt with by the Board as a whole and the Managing Director reports first hand to the Board. No formal policies on risk oversight and management of risk have been implemented.*

7.2.2 The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

*As per 7.2.1.*

## **ASX Principle 8: Encourage Enhanced Performance**

8.1 Disclose the process for performance evaluation of the Board, its committees and individual directors and key executives.

*Due to the size and structure of the Board a formal evaluation process is not conducted. The Company operates with one executive director and one full-time senior employee.*

## **ASX Principle 9: Remunerate Fairly and Responsibly**

9.1 Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of these policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.

*The Company does not have a remuneration policy other than to ensure that directors, staff and consultants are paid market rates in accordance with their qualifications, experience and contribution to the Company. Directors' remuneration for both executive and non-executive directors is compared to other "junior explorers" as a guide to industry rates. There are no performance remuneration schemes.*

9.2 The Board should establish a remuneration committee.

*The role of the Remuneration Committee has been assumed by the full Board. The size and scope of the Company's activities does not justify the establishment of such a committee. No director participated in any deliberation regarding his own remuneration or related issues.*

9.3 Clearly designate the structure of non-executive directors' remuneration from that of executives.

*The Managing Director's remuneration is governed by a formal contract. Directors' fees are paid separately to all non-executive directors. The different types of remuneration including superannuation, consulting fees and directors' fees are all clearly outlined in the Annual Report.*

9.4 Ensure that the payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

*The issue, or any proposed issue, of options to directors will only occur after being submitted to shareholders for approval, with a formal notice of meeting and explanatory memorandum disclosing all relevant details being provided.*

#### **ASX Principle 10: Recognise the Legitimate Interests of Stakeholders**

10.1 Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders

*In view of the size of the Company and the nature of its activities, the Board has considered that an informal code of conduct is appropriate to guide executives, management and employees in carrying out their duties and responsibilities.*

## **Directors' Report**

Your directors present their report on the company for the financial year ended 30 June 2007

### **Directors**

The names and details of directors in office at any time during or since the end of the financial year are:

#### **Non-Executive Chairman – Peter Wicks FCA**

Peter Wicks was appointed as Chairman of the Company on 2 November 2005. Peter is a Chartered Accountant and a Fellow of the Australian Institute of Chartered Accountants. Peter has had extensive experience in the natural resources sector and more recently as a property developer. Peter was a long-term finance director for a large company operating in the oil and gas sector. He was also a director of a number of oil and gas companies listed on the Toronto Stock exchange. Peter has been both an executive and non-executive director of a number of mineral companies, including Perseverance Corporation

Pty Ltd where he was a non-executive director from 1994 to 1998.

#### **Managing Director - John Kelly BE (Mining) MAusIMM MAICD**

John is a mining engineer and was part of the executive team for Perseverance from 1991 to 2001. Prior to joining Perseverance, John worked as a Mine Superintendent at two open cut operations in Western Australia for three years and for seven years in the underground operations of Zinc Corporation Limited in Broken Hill. John has Mine Manager Certificates for NSW, WA and Victoria. In his time with Perseverance, John filled the roles of Mine Superintendent, Mine Manager, Executive Director and then Managing Director. In this time, Perseverance demonstrated itself as one of the pre-eminent exponents in Australia of heap leach gold production from smaller low grade gold deposits. John headed the team that took the Fosterville Gold Project from the hands of the receiver in 1992 and then produced approximately 230,000 ounces of gold. John's extensive experience with Fosterville oxide and sulphide mineralisation is directly relevant to the Company's Hodgkinson Basin projects. John has been President of the Victorian Minerals and Energy Council, an Executive Councillor of the Minerals Council of Australia and a founding director of the Australian Gold Council. John was also a non-executive director and non-executive chairman of Monto Minerals NL, a Queensland based heavy minerals explorer.

#### **Non-Executive Director - Greg Barns BA LLB**

Greg is a barrister in practise in Tasmania and Victoria. Greg has been a high profile participant in the Australian gold sector, particularly over the 3 year period between 1999 and 2003 in his role as CEO of the Robert Champion de Crespigny-inspired Australian Gold Council ("AGC"). Prior to joining the AGC, Greg had no experience in the resources sector but a wealth of experience in both state and federal government. Greg is qualified as a lawyer and has worked as Chief-of-Staff for the former Tasmanian Premier Ray Groom and the Chief-of-Staff for the former Federal Finance Minister John Fahey. In his three years with the AGC, Greg was able to provide the directors of the AGC with advice on political and community issues affecting the Australian gold mining sector. Greg also formed lasting relationships with the Australian financial press and most importantly for the Company with the financial sector, both in Australia and overseas. Greg is a Non-Executive Director of Uranium King Ltd. Greg has been the Non-Executive Chairman of Strata Mining Corporation Limited, is a former director of Excalibur Mining Corporation Limited and is a past Chairman of the Australian Republican Movement.

## **Exploration Director - Chris Roberts FRMIT MAusIMM MAIG**

Chris is a geologist with over 30 years of experience, much of it in gold. Chris is a non-executive director of Perseverance, where he was the Exploration and Development Director. Prior to this he was the Chief Geologist for Perseverance, a role that dates back to 1990. Chris has been directly responsible for the exploration success of the Fosterville Mine until ceasing an executive role. During his involvement, the oxide and sulphide resource base at Fosterville has increased from approximately 220,000 ounces in 1992 to in excess of 2,500,000 ounces today, including past production by Perseverance. Chris has also been a non-executive director of Sedimentary Holdings Limited. Chris is non-executive director of Plentex Resources Limited. In late 2005, Chris was appointed to JORC (Joint Ore Reserves Committee). Chris resigned as a director on 28 August 2007.

## **Corporate Development Director – William McLucas**

McLucas resigned as a director on 19 October 2006.

## **Company Secretary**

The following person held the position of Company Secretary at the end of the financial year:

Roslynn Shand was appointed Company Secretary on 2 November 2005. Roslynn has a combined degree in Arts/Law from the University of Queensland and is a fellow of the Chartered Secretaries Australia. Roslynn has been a company secretary for over 15 years for entities in the financial, agricultural and mining sectors. Roslynn is also company secretary of Discovery Metals Limited and as such is well versed in the requirements of a growing junior resource company.

## **Operating Results**

The loss of the Company for the financial year amounted to \$1,717,736 (2006 period loss of \$3,258,283).

## **Review of Operations**

The Company continued with its gold exploration programme in the Hodgkinson Basin in Far North Queensland. This programme concentrated on soil sampling programmes at the Northcote and Tregoora Projects. Work continued on mining lease and environmental applications. Final pilot plant-scale metallurgical testwork results were received for the Northcote Project with excellent results achieved. No drilling was done so there

was no change to the Company's gold and antimony resource base.

In the previous year, the Company was able to announce that there are a number of significant tungsten anomalies within the Company's tenement in the Hodgkinson Basin following an examination of the database it inherited from BHP-Billiton Limited via the joint venture the Company has with BHP-Billiton. Two significant steps were made by the Company on the tungsten front. One was to carry out a soil sampling programme on the 100%-owned Whumbal West prospect. This resulted in a very strong tungsten anomaly being developed. The second was to purchase an exclusive option on the former Mt Carbine tungsten mine, adjacent to the Company's exploration tenements. The Company is conducting due diligence on this project with a view to making an offer to purchase it if the due diligence is successful.

Mr W McLucas resigned as a director during the year.

In August 2005 the Company announced that it had entered into a strategic alliance with Luzon Minerals Limited of Canada. The Company put a significant effort into strategically trying to effect a corporate combination with Luzon. The two companies signed an Assets Sales Agreement in November 2006 to effect the combination. Ultimately this failed when Luzon withdrew from the agreement on very dubious grounds. In an attempt to force the combination the Company announced a takeover bid for Luzon which was eventually withdrawn. The Company sold its 3,269,840 ordinary shares in Luzon, but keeps 634,920 warrants exercisable at CAN\$0.15 and options over further ordinary shares in Luzon exercisable at CAN\$0.155.

At the end of the strategic alliance with Luzon, the Company is owed in excess of AUD\$2.0m by Luzon. The Company is working with its Canadian lawyers to recover this debt, which the directors believe to be secured under a General Security Agreement registered in British Columbia, the domicile of Luzon.

The Company carried out a number of fund raisings during the year, raising \$780,000 through a placement, \$600,000 through a Shareholder Share Purchase Plan and \$3,421,723 through a highly successful rights issue.

## **Financial Position**

The net assets of Republic Gold Ltd have increased by \$3,179,027 from \$9,148,725 as at 30 June 2006 to \$12,327,752 as at 30 June 2007.

The directors believe the group is in a stable financial position to expand and grow its current operations.

## Significant Changes in State of Affairs

The Company issued 327,386,373 shares during the period 1 July 2006 to 30 June 2007 to provide additional working capital. A further 151,604,748 listed, 2.5c ordinary share options were issued during the year. These options have an expiry date of 30 November 2008.

In the opinion of the Directors, there were no significant changes in the state of affairs of the entity that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

## Principal Activity

The principal activity of the entity during the course of the financial year was gold and tungsten exploration. There was no significant change in the nature of the entity's activities during the period.

## After Balance Date Events

Apart from that mentioned below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

- On 28 August 2007 the Company announced the resignation of Mr Chris Roberts as Exploration and Development Director.
- On 28 August 2007 the Company announced the extension of its option on Mt Carbine.
- On 7 September 2007 the Company announced a placement of 60 million shares that was expected to raise approximately \$1.5m based on the share price at the time of the announcement and that is subject to both shareholders' approval at a meeting to be held on 1 October 2007 and the weighted average of the share price over the week before the meeting.
- On 8 September 2007, the Company issued a Notice of General Meeting. In addition to approval being sought for the placement of 60m shares, the meeting will consider the issue of 29m unlisted options to the Company's 3 Directors and the Company Secretary as follows:-
  - ◆ Peter Wicks - 6m unlisted options
  - ◆ John Kelly - 12m unlisted options
  - ◆ Greg Barns - 6m unlisted options
  - ◆ Roslynn Shand - 6m unlisted options

The exercise price for all of these options is 25% higher than the closing market

price of the Company's Shares on the day of the General Meeting and all options will have an expiry date 3 years after issue.

## Future Developments, Prospects and Business Strategies

The entity will focus on the exploration and development of its Australian portfolio of exploration tenements and the acquisition of new projects and/or tenements.

Other than as referred to in this report, further information on the likely developments in the operations of the entity and the expected results of those operations would, in the opinion of the Directors, be speculative and would be likely to result in unreasonable prejudice to the entity.

## Adoption of Australian Equivalents of IFRS

As a result of the introduction of Australian equivalents of International Financial reporting Standards (AIFRS), the Company's financial report has been prepared in accordance to those Standards.

## Environmental Issues

The operations of the Company in Australia are subject to environmental regulation under the laws of the Commonwealth and the States in which those operations are conducted. The directors are not aware of any environmental breaches by the Company during the period covered by this report.

## Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

## Options

The 5m options approved by shareholders on 29 November 2005 and issued to Mr McLucas were cancelled on his resignation as a director.

2.8m unlisted options (25 cents) that had been issued to directors expired on 31/10/06. 14,596,453 listed options (25 cents) expired on 30/11/06.

The Chairman of the Company, Mr Peter Wicks, was granted 1.5m unlisted options under the Company's Executive Option Plan. The issue of these options was approved at a general meeting of the Company on 25 July 2006. The 1.5m options have an exercise price of 18 cents and an expiry date of 4 August 2011. In the event that shareholders approve the issue of 6m unlisted options to Mr Peter Wicks at the General Meeting to be held on 1 October 2007, these 1.5m unlisted options will be cancelled.

As part of a financing incentive package, Veritas Securities were issued with 3,000,000 unlisted options. The 3,000,000 options have an exercise price of 20 cents and an expiry date of 30 June 2009.

As part of the May 2007 renounceable rights issue, shareholders and rights holders were offered one free option for every two shares subscribed for under the issue. As a result of this 151,604,748 free listed options were issued. A further 18,664,534 free listed options were issued as part of loan and debt repayments. The total of 170,269,282 options has an exercise price of 2.5 cents and an expiry date of 30 November 2008.

Another further 29m unlisted options are proposed to be issued should shareholder approval be obtained at the Company's General Meeting to be held on 1 October 2007.

### **Indemnification of Officer or Auditor**

The Company has agreed to indemnify and keep indemnified the following officers; Mr P A Wicks, Mr J P Kelly, Mr C L Roberts (resigned 28 August 2007), Mr G J Barns and Mr W P McLucas (resigned 19 October 2006) against all liabilities incurred by the directors as a director of the Company and all legal expenses incurred by the directors as a director of the Company.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related body corporate against a liability incurred by the auditor.

### **Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year.

### **REMUNERATION REPORT**

This report details the nature and amount of remuneration for each director of Republic Gold Limited. As Republic Gold Limited is a small company, the remuneration arrangements are as simple as possible.

### **Remuneration Policy**

The remuneration policy of Republic Gold Limited has been designed to align director objectives with

shareholder and business objectives by providing a fixed remuneration component and allowing specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of Republic Gold Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as to create goal congruence between directors and shareholders. To-date no long-term incentives have been offered to any Director except for executive options.

The Board's policy for determining the nature and amount of remuneration for Board members of Republic Gold Limited is as follows:-

The remuneration policy, setting the terms and conditions for the directors was developed by the Board after Board members reviewed the remuneration of like positions in other small-cap gold exploration companies. All Directors receive either a base salary or a consulting fee (which is based on experience), superannuation and options. An Employee Share and Option scheme was approved at the 2005 Annual General Meeting. The Board reviews executive packages annually by reference to the Company's performance, directors' performance and comparable information from industry sectors and other listed companies in the small-cap gold exploration sector.

The performance of directors is measured against criteria agreed with each director and is based predominantly on any increase in shareholders' value. Any bonuses and incentives must be linked to predetermined performance criteria. The Board will approve all incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Directors are also entitled to participate in the employee share and option arrangements, subject to shareholder approval as mentioned above.

The Managing Director receives a superannuation guarantee contribution required by the government, which is currently 9%, and does not receive any other retirement benefits. Individuals can choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at the cost to the Company and expensed. Shares given to Directors and executives will be valued as the difference between the market price of those shares and the amount paid by the Director or executive. Options will be valued using the Black Scholes methodology.

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities and determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the Employee Option Plan.

### Performance Based Remuneration

Currently, no executive Directors' remuneration package has a performance-based component.

### Remuneration

The remuneration for each Director of Republic Gold Limited during the year was as set in the table following. The Board considers that no employee, other than Directors, fall into the category of executives of the Company for the purposes of this report.

	PA Wicks	J P Kelly	* CL Roberts	GJ Barns	** WP McLucas
Salary	\$Nil	\$157,326	\$Nil	\$8,800	\$32,108
Directors' Fees	\$39,600	\$Nil	\$Nil	\$25,000	\$Nil
Consult Fee	\$140,800	\$Nil	\$143,640	\$37,215	\$Nil
Super	\$Nil	\$18,600	\$Nil	\$792	\$Nil
Equity	\$270,000	\$Nil	\$Nil	\$Nil	\$Nil
<b>Total</b>	<b>\$450,400</b>	<b>\$175,926</b>	<b>\$143,640</b>	<b>\$71,807</b>	<b>\$32,108</b>

\* Resigned 28 August 2007

\*\* Resigned 19 October 2006

### Performance Income as a Proportion of Total Remuneration

There were no performance based bonuses paid to executives during 2007.

### Options Issued as Part of Remuneration for the year ended 30 June 2007

Shareholders approved an options package for Mr P A Wicks at the 25 July 2006 General Meeting on the terms indicated above. There were no other options allocated as part of remuneration to directors or executives during 2007.

### Employment Contracts of Directors

Mr Kelly is an employee of Republic Gold Limited and his employment conditions as the Managing Director are formalised in a contract of employment. Mr Roberts contracted his services

to the Company on an "as needs basis." Messrs Wicks and Barns are paid an hourly fee for work done outside the normal range of non-executive Directors' duties.

Mr Kelly is employed under a fixed three-year contract, which commenced on 1 September 2007 and expires on 30 September 2010 at an annual salary of \$230,000 per year, including superannuation. This contract includes a three-month notice period by either party and an annual review. Mr Kelly provides his own and another field vehicle and is reimbursed for usage on Company business on a kilometres used basis.

Mr Roberts charged the Company at the rate of \$800 per day, plus GST. Prior to his resignation on 28 August 2007 Mr Roberts did not draw Director's fees.

Messrs Wicks and Barns charge the Company at the rate of \$800 and \$1,000 per day respectively, plus GST, for work outside the normal role of a non-executive Director.

All Directors are reimbursed expenses incurred in their roles with the Company after the approval of these expenses by all other Directors.

### Directors' Meetings

During the financial year the Company held 16 meetings of directors. The attendance of the directors at meetings of the Board was:

Number of Meetings Attended By	Board Meetings
P A Wicks	15
J P Kelly	16
C L Roberts	11
G J Barns	16
W P McLucas (resigned 19/10 2006)	3

### Non-Audit Services

There are no non-audit services provided to the Company by the audit firm other than a review of the Half Year Accounts for the 6 months to 31 December 2006 lodged with the ASX.

In view of the size of the Company and the nature of its activities, the Board has considered that establishing a formally constituted audit committee would contribute little to the effective management of the Company. Accordingly audit matters are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant directors if there is any conflict of interest).

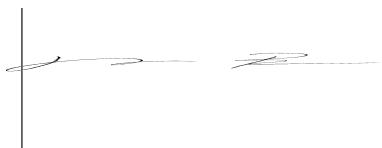
### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on the following page.


### Directors' Shareholdings

For details on directors' shareholdings please refer to note 5 of the Financial Statements.

Signed in accordance with a resolution of the Board of Directors:



Director  
Greg Barns



Director  
John Kelly

Dated this 28th day of September 2007

## **AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF REPUBLIC GOLD LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Draper Dillon  
Norman Draper  
4<sup>th</sup>Floor,  
499 St Kilda Road  
Melbourne Vic 3000

Dated this 28th day of September 2007

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**Income Statement**  
**For the year ended 30 June 2007**

	Notes	30 June 2007 \$	30 June 2006 \$
<b>Revenue</b>	2	<b><u>537,913</u></b>	<b><u>80,629</u></b>
Amortisation expenses		(268)	(268)
Consultant expenses		(354,372)	(394,979)
Cost of exploration	3	(945,353)	(1,140,309)
Depreciation expenses	3	(26,369)	(34,986)
Employee benefits expense		(226,508)	(908,975)
Interest expense	3	(79,107)	-
Legal expenses		(165,292)	(18,269)
Marketing expenses		(41,223)	(32,872)
Occupancy expenses		(17,962)	(98,258)
Share registry expense		(97,453)	(111,093)
Travel expenses		(174,604)	(440,544)
Other expenses from ordinary activities		<u>(127,138)</u>	<u>(158,359)</u>
<b>Expense</b>		<b>(2,255,649)</b>	<b>(3,338,912)</b>
<b>Loss before income tax expense</b>		<b><u>(1,717,736)</u></b>	<b><u>(3,258,283)</u></b>
<b>Income tax expense</b>	4	---	---
<b>Loss after income tax expense</b>		<b><u>(1,717,736)</u></b>	<b><u>(3,258,283)</u></b>
Basic loss per share (cents per share)	8	<b>(0.0039)</b>	(0.0313)
Diluted loss per share (cents per share)	8	<b>(0.0029)</b>	(0.0313)

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**Balance Sheet**  
**For the year ended 30 June 2007**

	Notes	30 June 2007 \$	30 Jun 2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	3,741,780	187,656
Trade and other receivables	10	<u>2,308,839</u>	<u>917,271</u>
<b>TOTAL CURRENT ASSETS</b>		<b><u>6,050,619</u></b>	<b><u>1,104,927</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	119,005	145,374
Intangible asset	12	7,971,875	7,972,143
Financial assets	13	<u>50,000</u>	<u>292,229</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>8,140,880</u></b>	<b><u>8,409,746</u></b>
<b>TOTAL ASSETS</b>		<b><u>14,191,499</u></b>	<b><u>9,514,673</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,808,372	309,028
Short term provisions	15	<u>55,375</u>	<u>56,920</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>1,863,747</u></b>	<b><u>365,948</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,863,747</u></b>	<b><u>365,948</u></b>
<b>NET ASSETS</b>		<b><u>12,327,752</u></b>	<b><u>9,148,725</u></b>
<b>EQUITY</b>			
Issued capital	16	20,986,101	16,089,338
Accumulated losses		<u>(8,658,349)</u>	<u>(6,940,613)</u>
<b>TOTAL EQUITY</b>		<b><u>12,327,752</u></b>	<b><u>9,148,725</u></b>

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**Statement of Changes in Equity**  
**For the year ended 30 June 2007**

	<b>Issued Capital Ordinary Shares</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2005</b>	<b>13,362,139</b>	<b>(3,682,330)</b>	<b>9,679,809</b>
Shares issued during the year	2,890,279	---	2,890,279
Transactions costs	(163,080)	---	(163,080)
Net Loss	---	(3,258,283)	(3,258,283)
<b>Balance at 30 June 2006</b>	<b>16,089,338</b>	<b>(6,940,613)</b>	<b>9,148,725</b>
Shares issued during the year	5,277,000	---	5,277,000
Transactions costs	(380,237)	---	(380,237)
Net Loss	---	(1,717,736)	(1,717,736)
<b>Balance at 30 June 2007</b>	<b>20,986,101</b>	<b>(8,658,349)</b>	<b>12,327,752</b>

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**Cash Flow Statement**  
**For the year ended 30 June 2007**

	Notes	30 June 2007 \$	30 Jun 2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(3,272,624)	(3,700,277)
Interest received		1,297	19,692
Interest paid		(79,107)	---
Other income		---	20,000
Net cash used in operating activities	17 (b)	<b><u>(3,350,434)</u></b>	<b><u>(3,660,585)</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		548,953	---
Payment for property, plant and equipment		---	(16,026)
Payment for investments		---	(192,229)
Net cash from investing activities		<b><u>548,953</u></b>	<b><u>(208,255)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		300,000	---
Net proceeds from share issue		4,596,763	2,727,199
Net proceeds from share issue - oversubscription		1,458,842	---
Net cash provided by financing activities		<b><u>6,355,605</u></b>	<b><u>2,727,199</u></b>
Net increase (decrease) in cash held		<b>3,554,124</b>	<b>(1,141,641)</b>
Cash at beginning of financial year		<b><u>187,656</u></b>	<b><u>1,329,297</u></b>
Cash at end of financial year	17 (a)	<b><u>3,741,780</u></b>	<b><u>187,656</u></b>

## **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for Republic Gold Limited as an individual entity. Republic Gold Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Republic Gold Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

#### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### **Accounting Policies**

#### **a. Foreign Currency Transactions and Balances**

##### **Functional and Presentation Currency**

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

##### **Transactions and Balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

#### **b. Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**c. Financial Instruments**

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Held-to-maturity investments*

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

*Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

*Derivative instruments*

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges. Republic Gold Limited designates certain derivatives as either;

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

- i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of highly probably forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

*(i) Fair value hedge*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk.

*(ii) Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

*Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

*Impairment*

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**d. Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

*Plant and equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

*Depreciation*

The depreciable amount of all fixed assets is depreciated over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings	15%
Plant and equipment	15%
Office furniture and equipment	7.5 - 50%
Motor Vehicle	15 – 18.75%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**e. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of two months or less, and bank overdrafts.

**f. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**g. Intangibles**

*Goodwill*

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

*Tenements, Permits & Mining Assets*

Tenements, Permits & Mining Assets are initially recorded at the purchase price at the date of acquisition. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

**h. Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

**i. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**j. Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**k. Exploration and Development Expenditure**

Exploration, evaluation and development expenditure incurred is not accumulated in respect of each identifiable area of interest.

Costs of acquisition in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the costs of acquisition for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**l. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

*Key Estimates — Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of goodwill for the year ended 30 June 2007. Should the projected turnover figures be outside the budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of goodwill at 30 June 2007 amounting to \$123,000.

**m. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**n. Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to settle within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

	Note	2007 \$	2006 \$
<b>NOTE 2: REVENUE</b>			
<b>Operating activities</b>			
- Interest income	2(a)	246,169	60,629
- Profit on sale of listed investments		291,744	---
- Permits, rights of use		---	<u>20,000</u>
		<u>537,913</u>	<u>80,629</u>
Other income			
Interest from other persons		<u>246,169</u>	<u>60,629</u>
<b>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</b>			
Profit from ordinary activities has been determined after the following expenses:			
Interest expense		79,107	---
Depreciation of non-current assets:			
- Office Equipment		9,192	14,779
- Motor Vehicles		6,454	7,889
- Buildings		1,998	2,350
- Plant & Equipment		8,385	9,827
- Furniture & Fittings		340	141
		<u>26,369</u>	<u>34,986</u>
Exploration Expenditure		945,353	1,140,309
<b>NOTE 4: INCOME TAX EXPENSE</b>			
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie income tax expense/(benefit) on loss from ordinary activities before income tax at 30% (2006 year 30%)			
		(515,321)	(977,485)
Add:			
Tax effect of:			
- other non-allowable items		(378)	15,867
- capital expenditure write off		(73,964)	(51,150)
Total tax losses not brought to account		<u>589,663</u>	<u>1,012,768</u>
<b>NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION</b>			
(a) Names and positions held of economic entity key management personnel in office at any time during the financial year are:			

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**Key Management Person**

**Position**

Mr P Wicks	Chairman – Non-Executive
Mr J P Kelly	Managing Director - Executive
Mr C L Roberts (resigned 28 August 2007)	Exploration Director
Mr G J Barns	Non-Executive Director
Mr W P McLucas (resigned 19 October 2006)	Corporate Development Director

(b) Key Management Personnel Compensations

**2007 year**

Key Management Person	Base Salary \$	Director's Fee \$	Consultancy Fee \$	Super \$	Equity \$	Total \$
P A Wicks	---	39,600 *	140,800 *	---	270,000	450,400 *
J P Kelly	157,326	---	---	18,600	---	175,926
G J Barns	8,800	25,000	37,215	792	---	71,807
C L Roberts (resigned 28/08/2007)	---	---	143,640 *	---	---	143,640 *
W P McLucas (resigned 19/10/06)	32,108	---	---	---	---	32,108

\* GST included.

**2006 year**

Key Management Person	Base Salary \$	Director's Fee \$	Consultancy Fee \$	Super \$	Equity \$	Total \$
J P Kelly	161,400	---	---	14,526	---	175,926
C L Roberts	---	---	186,500 *	---	---	186,500 *
G J Barns	---	25,000	40,900	---	---	65,900
W P McLucas	---	100,000	---	---	---	100,000
P A Wicks	---	24,000 *	13,600 *	---	---	37,600 *

\* GST included.

(b) Compensation Options

Key Management Person	Granted No.	Grant Date	Value per option at Grant Date \$	Exercise Price \$	Exercise Date
P A Wicks	1,500,000	10.12.2005	0.0000	0.18	04.08.2011

The one million five hundred thousand (1,500,000) options have no vesting period. The grant of options to Mr Wicks is designed to acknowledge the contribution to be made by him to the Company. In the event that shareholders, at a General Meeting to be held on 1 October 2007, approve the issue of 6,000,000 unlisted options to Mr Wicks, these 1,500,000 options will be cancelled.

(c) Directors' Shareholdings

At the date of this report, the interests of the directors in the shares of the Company are:

	Ordinary Shares		30 November 2008 Options	
	Direct	Indirect	Direct	Indirect
P A Wicks	---	1,425,000	-	1,975,000*
J P Kelly	1	44,538,470	-	9,844,235
G J Barns	30,001	42,243,470	-	9,079,235
C L Roberts (resigned 28/08/2007)	80,001	42,443,470	-	9,079,235

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

\* Includes 1,500,000 issued under Executive Option Plan exercisable at \$0.18 with an expiry date of 4/08/2011.

(d) Directors' Interests and Benefits	
Since the end of the previous financial period no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements), by reason of a contract made by the Company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for:-	
i.	Payment for geological services in the ordinary course of business to Mr C L Roberts,
ii.	Payment for provision of public and governmental relations in the ordinary course of business to Mr G J Barns, and
iii.	Payment for provision of advisory services in the ordinary course of business to Mr P A Wicks.

(e) Remuneration Practices	
The Board reviews the remuneration packages and policies applicable to the Executive Directors, and Non Executive Directors on an annual basis. The Board does not have any formal remuneration policy, but any decision on remuneration increases or bonuses is made having due regard to the Company's performance and other relevant factors. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. Where necessary the Board obtains independent advice on the appropriateness of remuneration packages. The elements of emoluments have been determined on the basis of the cost to the Company. Executives are those directly accountable and responsible for the operational management and strategic direction of the Company.	

**NOTE 6: DIVIDEND**

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

**NOTE 7: AUDITORS' REMUNERATION**

Remuneration of the auditor for the Company for:

	Note	2007 \$	2006 \$
- auditing or reviewing the financial reports		47,695	21,850

**NOTE 8: EARNINGS PER SHARE**

Basic loss per Share	0.0039 cents	0.0313 cents
Diluted loss per Share	0.0029 cents	0.0313 cents
Number of shares used in calculations of basic earnings per share	431,391,098	104,004,725
Number of shares used in calculations of basic earnings per share	587,495,846	104,004,725

**NOTE 9: CASH AND CASH EQUIVALENTS**

Cash on hand	242	4
Cash at bank	3,681,493	127,607
Security deposits	60,045	60,045
	<b><u>3,741,780</u></b>	<b><u>187,656</u></b>

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

	Note	2007 \$	2006 \$
<b>NOTE 10: TRADE AND OTHER RECEIVABLES</b>			
CURRENT			
Other receivables		25,200	61,123
Amount receivable - Secured loan – Luzon Minerals Limited			
The recovery of this amount is dependent on the ability of this debtor to raise additional capital or other finance as required. The directors believe that, based on Luzon's public filings and the directors knowledge of the Bolivian mineral projects controlled by Luzon Minerals Limited at the time the strategic alliance between the two companies ceased, the underlying value of the Bolivian mineral projects far exceed the debt owed to the Company.			
		<u>2,283,639</u>	<u>856,148</u>
		<b><u>2,308,839</u></b>	<b><u>917,271</u></b>

**NOTE 11: PROPERTY, PLANT AND EQUIPMENT**

**PLANT AND EQUIPMENT**

(a) Motor vehicles			
At cost		54,615	54,615
Less accumulated depreciation		<u>(25,303)</u>	<u>(18,849)</u>
		<b><u>29,312</u></b>	<b><u>35,766</u></b>
(b) Office equipment			
At cost		72,929	72,929
Less accumulated depreciation		<u>(44,004)</u>	<u>(34,812)</u>
		<b><u>28,925</u></b>	<b><u>38,117</u></b>
(c) Buildings			
At cost		16,080	16,080
Less accumulated depreciation		<u>(4,758)</u>	<u>(2,760)</u>
		<b><u>11,322</u></b>	<b><u>13,320</u></b>
(d) Plant & Equipment			
At cost		70,277	70,277
Less accumulated depreciation		<u>(22,759)</u>	<u>(14,374)</u>
		<b><u>47,518</u></b>	<b><u>55,903</u></b>
(e) Furniture and fittings			
At cost		2,409	2,409
Less accumulated depreciation		<u>(481)</u>	<u>(141)</u>
		<b><u>1,928</u></b>	<b><u>2,268</u></b>
<b>Total Plant &amp; Equipment</b>		<b><u>119,005</u></b>	<b><u>145,374</u></b>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Motor Vehicles \$	Office Equipment \$	Buildings \$	Plant & Equipment \$	Furniture & Fittings \$	Total \$
<b>2007</b>						
Balance at the beginning of the year	35,766	38,117	13,320	55,903	2,268	145,374
Additions	---	---	---	---	---	---
Depreciation	<u>(6,454)</u>	<u>(9,192)</u>	<u>(1,998)</u>	<u>(8,385)</u>	<u>(340)</u>	<u>(26,369)</u>
Carrying amount at end of year	<b><u>29,312</u></b>	<b><u>28,925</u></b>	<b><u>11,322</u></b>	<b><u>47,518</u></b>	<b><u>1,928</u></b>	<b><u>119,005</u></b>

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

	Note	2007 \$	2006 \$
<b>NOTE 12: INTANGIBLE ASSETS</b>			
Tenements, Permits & Mining Assets		<u>7,848,546</u>	<u>7,848,546</u>
Goodwill - at cost		<u>123,000</u>	<u>123,000</u>
Formation costs		1,340	1,340
Less accumulated amortisation		<u>(1,011)</u>	<u>(743)</u>
		<u>329</u>	<u>597</u>
Total Intangible Assets		<u><b>7,971,875</b></u>	<u><b>7,972,143</b></u>
<b>NOTE 13: OTHER FINANCIAL ASSETS</b>			
Available-for-sale financial assets		---	142,229
Financial assets not available for sale		<u>50,000</u>	<u>150,000</u>
Current portion		<u><b>50,000</b></u>	<u><b>292,229</b></u>
<b>Available-for-sale financial assets comprise</b>			
– shares in listed corporations		---	142,229
Total available-for-sale financial assets		---	<u><b>142,229</b></u>
<b>Financial assets not available-for-sale comprise</b>			
– shares in listed corporations		---	100,000
– shares in unlisted corporations		<u>50,000</u>	<u>50,000</u>
		<u><b>50,000</b></u>	<u><b>150,000</b></u>
<b>Market value of shares in listed corporations at the date of this report</b>			
Available for sale		---	304,762
Not available for sale		---	197,500
		---	<u><b>502,262</b></u>
<b>NOTE 14: TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Trade payables		256,072	216,291
Share rights issue oversubscriptions refundable		1,458,842	---
Sundry payables and accrued expenses		<u>93,458</u>	<u>92,737</u>
		<u><b>1,808,372</b></u>	<u><b>309,028</b></u>
<b>NOTE 15: PROVISIONS</b>			
<b>Employee Entitlements</b>			
<b>2007</b>			
Opening Balance at 1 July 2006		56,920	---
Additional provision		<u>(1,545)</u>	56,920
Balance at 30 June 2007		<u><b>55,375</b></u>	<u><b>56,920</b></u>
<b>Analysis of total provision</b>			
Current		<u>55,375</u>	56,920
		<u><b>55,375</b></u>	<u><b>56,920</b></u>

**Provision for Employee Entitlements**

A provision has been recognised for employee entitlements relating to annual leave. The measurement and recognition criteria pertaining to the employee benefits have been included in Note 1 to this report.

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**NOTE 16: CONTRIBUTED EQUITY**

431,391,098 fully paid ordinary shares  
(2006 year: 104,004,725 shares)  
Capital raising costs

22,218,835	16,941,834
<u>(1,232,734)</u>	<u>(852,496)</u>
<b><u>20,986,101</u></b>	<b><u>16,089,338</u></b>

(a) Shares issued during the period

Date	Details	Number of Shares	Issued Price \$	\$
<b>1 Jul 2006</b>	<b>Beginning of reporting period</b>	<b>104,004,725</b>		<b>16,089,338</b>
<b>1 Jul 2006 to 30 Jun 2007</b>	Capital raising costs during reporting period			(380,238)
<b>28 Sept 2006</b>	Share Placement	15,600,000	0.05	780,000
<b>19 December 2006</b>	Shareholder Share Purchase Plan	3,320,000	0.05	166,000
<b>24 January 2007</b>	Shareholder Share Purchase Plan	8,680,000	0.05	434,000
<b>7 June 2007</b>	Share Issue	500,000	Consideration for issue of 3 month exclusive option	
<b>25 June 2007</b>	Rights Issue	263,209,450	0.013	3,421,723
<b>28 June 2007</b>	Share Issue	36,076,923	0.013	475,278
<b>30 Jun 2007</b>	<b>End of reporting period</b>	<b>431,391,098</b>		<b>20,986,101</b>

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>

**NOTE 17: CASH FLOW INFORMATION**

**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	242	4
Cash at bank	3,681,493	127,607
Security Deposits	<u>60,045</u>	<u>60,045</u>
	<b><u>3,741,780</u></b>	<b><u>187,656</u></b>

**(b) Reconciliation of net cash provided by operating activities**

Loss from ordinary activities after income tax	<b>(1,717,736)</b>	<b>(3,258,283)</b>
Non-cash flows in profit from ordinary activities		
Amortisation	268	268
Depreciation	26,369	34,986
Capital gain on sale of assets	(306,724)	---
Increase in receivables	(1,391,568)	(746,091)

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

Increase in payables	40,502	251,615
(Decrease) Increase in provisions	(1,545)	56,920
Net Cash provided by operating activities	<u>(3,350,434)</u>	<u>(3,660,585)</u>

(c) The Company has no credit stand-by or financing facilities in place.

**NOTE 18: CAPITAL AND LEASING COMMITMENTS**

The Company has no capital and leasing commitments.

**NOTE 19: CONTINGENT ASSETS AND LIABILITIES**

The Company has no contingent assets or liabilities.

**NOTE 20: RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year reported on.

**NOTE 21: COMPANY DETAILS**

The registered office of the Company is:  
 Republic Gold Limited  
 144 Cobra Road  
 MAREEBA QLD 4880

**NOTE 22: SEGMENT REPORTING**

The Company operates in one business and geographical segment being gold and tungsten exploration in Australia.

**NOTE 23: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management**

<p>The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.                  The Company does not speculate in the trading of derivative instruments.</p>	
i.	<p>Treasury Risk Management                  The Company Directors meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.</p>
ii.	<p>Financial Risks                  The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.</p> <p>Interest rate risk                  There is no policy to manage interest rate risk as the Company has no debt. For further details on interest rate risk relating to financial assets, refer to Note 23 (b) (i).</p> <p>Liquidity risk                  The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.</p>

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

	<p>Credit risk</p> <p>The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.</p> <p>The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.</p>
--	---

**(b) Financial Instruments**

i.	<p>Interest rate risk</p> <p>The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:</p>
----	---

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities			Non Interest Bearing \$	Total \$
			1 year or less \$	1 to 5 years \$	> 5 yrs \$		
<b>30 June 2007</b>							
<b>Financial Assets:</b>							
Cash assets	4.5%	2,222,650	---	---	---	1,519,130	3,741,780
Receivables	15.0%	---	2,283,639	---	---	25,200	2,308,839
		2,222,650	-	---	---	1,544,330	6,050,619
<b>Financial Liabilities:</b>							
Payables		---	-	---	---	(1,808,372)	(1,808,372)
<b>Net financial assets/(liabilities)</b>		<b>2,222,650</b>	<b>2,283,639</b>	<b>---</b>	<b>---</b>	<b>(264,042)</b>	<b>4,242,247</b>

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities			Non Interest Bearing \$	Total \$
			1 year or less \$	1 to 5 years \$	> 5 yrs \$		
<b>30 June 2006</b>							
<b>Financial Assets:</b>							
Cash assets	2.16%	127,607	---	---	---	60,049	187,656
Receivables	---	---	---	---	---	917,271	917,271
		127,607	---	---	---	977,320	1,104,927
<b>Financial Liabilities:</b>							
Payables		-	---	---	---	(309,028)	(309,028)
<b>Net financial assets/(liabilities)</b>		<b>127,607</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>668,292</b>	<b>795,899</b>

**REPUBLIC GOLD LIMITED**  
**ABN 86 106 399 311**

**(c) Net Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

**NOTE 24: ECONOMIC DEPENDENCY**

The Company has no economic dependency on any other entity.

**NOTE 25: EVENTS SUBSEQUENT TO YEAR END**

Subsequent to 30 June 2007 (and subject to ratification at a General Meeting of Members scheduled for 1 October 2007) the Company successfully placed an additional 60,000,000 fully paid ordinary shares in the Company raising approximately \$1,500,000 of additional working capital.

Since the end of the June 2007 financial year the Company has issued a further 18.6 million 2.5 cent options with an expiry date of November 2008. Given the Company's ordinary share price as at the date of this report Directors consider it likely that the majority of the 170 million 2.5 cent listed call options on issue will be duly exercised resulting in a further significant injection of working capital into the Company.

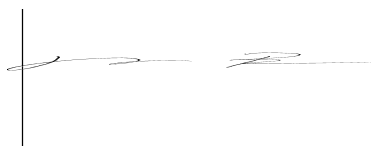
On 28 August 2007 Mr Chris Roberts resigned as Exploration Director. Mr Roberts remains with the Company in the role of Chief Geologist.

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 30 are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the financial year ended on that date of the Company.
2. The Managing Director has declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Director  
Greg Barns



Director  
John Kelly

Dated this 28th day of September 2007



REPUBLIC GOLD LTD.  
ABN: 86 106 399 311

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REPUBLIC GOLD LTD.**

**Report on the Financial Report**

We have audited the accompanying financial report of Republic Gold Ltd. which comprises the balance sheet as at 30<sup>th</sup> June, 2007 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading "Remuneration Report" in pages 15 to 16 of the directors' report and not in the financial report.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standards AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

Draper Dillon PTY LTD  
ACN 007 219 703

4th floor 499 St Kilda Road  
Melbourne 3004

telephone (03) 9866 2888  
facsimile (03) 9866 2899

email mail@draperdillon.com.au  
internet www.draperdillon.com.au

**PARTNERS**

NORMAN DRAPER FCA  
STIRLING HORNE CA  
EMESE COLANERI CPA

PAUL DILLON CA  
PETR VRSECKY CA

GEORGE ATHANS CPA  
JUSTIN MCCARTNEY CA

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Republic Gold Ltd. on 28 September 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

### Auditor's Opinion

In our opinion:

- a. the financial report of Republic Gold Ltd. is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the company's financial position as at 30<sup>th</sup> June, 2007 and of their performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and
- c. the remuneration disclosures that are contained in pages 15 to 16 of the directors' report comply with Accounting Standard AASB 124.

### Disclaimer

The additional stock exchange information presented on page 37 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2007. It will be appreciated that our statutory audit did not cover all details of the additional stock exchange information. Accordingly, we do not express an opinion on such stock exchange information and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Republic Gold Limited) in respect of such data, including omissions therein however caused.

### DRAPER DILLON



**NORMAN L. DRAPER**  
**PARTNER**

4<sup>th</sup> Floor,  
499 St. Kilda Road,  
MELBOURNE, VIC., 3004.

Dated this 28<sup>th</sup> day of SEPTEMBER, 2007.

## ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Limited and not shown elsewhere in this Annual Report is set out below. The information is made up to 24 September 2007.

### Distribution of Shareholders and Optionholders

Distribution Range	Fully Paid Shares	Options 30/11/2008
1 - 1,000	1,050	54
1,001 - 5,000	250	27
5,001 - 10,000	103	41
10,001 - 100,000	1,027	303
100,001 and over	628	172

### Holders of Non-Marketable Parcels of Shares

There are 1,466 fully paid ordinary shareholders who hold less than a marketable parcel.

Rank	Twenty Largest Shareholders	Shares	Percentage
1	Zeus Pty Limited <Republic Gold Unit Trust>*	42,243,470	9.75%
2	Lampton Pty Ltd	10,200,000	2.35%
3	Simner Pty Ltd <Simon McDonnell Family A/C>	8,000,000	1.85%
4	Mr Philip Hellyer & Mrs Linda Hellyer <Visionview S/F A/C>	5,700,000	1.32%
5	Hooper Bailie Industries Pty Ltd	5,500,000	1.27%
6	Mr Phillip Clive Hardcastle	5,000,000	1.15%
7	Palazzo Nominees Pty Ltd <Palazzo Investments A/C>	5,000,000	1.15%
8	Mr Yi Ming Tan	5,000,000	1.15%
9	Forbar Custodians Ltd <Forsyth Barr Ltd –Nominee A/C>	4,279,877	0.99%
10	Gateway Mining NL	4,050,000	0.93%
11	Mr David Bruce Slade	4,037,559	0.93%
12	Japag Pty Limited	4,000,000	0.92%
13	Berne No 132 Nominees Pty Ltd <376804 A/C>	3,867,320	0.89%
14	Mr Robert Cameron Galbraith & Mrs Jane Amanda Galbraith <Camanda Super Fund A/C>	3,825,000	0.88%
15	Mr Vincenzo Brizzi & Mrs Rita Lucia Brizzi <Brizzi Family S/F A/C>	3,500,000	0.81%
16	Jacks Partners Pty Ltd	3,480,000	0.80%
17	Nefco Nominees Pty Ltd	3,441,898	0.79%
18	HSBC Custody Nominees (Australia) Limited	3,381,678	0.78%
19	Cape Lambert Iron Ore Ltd	3,000,000	0.69%
20	Lockinda Pty Limited <The Lockinda A/C>	3,000,000	0.69%
<b>Total</b>		<b>130,506,802</b>	<b>30.13%</b>

Rank	Twenty Largest Optionholders – 30/11/2008 options	Options	Percentage
1	Lampton Pty Ltd	50,500,000	29.67%
2	Zeus Pty Limited <Republic Gold Unit Trust>*	9,079,235	5.33%
3	Mr Ron Weinstock & Mrs Vivienne Weinstock <Ron Weinstock S/F A/C>	5,000,000	2.94%
4	Hooper Bailie Industries Pty Limited	2,125,000	2.42%
5	Yarraandoo Pty Limited <Yarraandoo Super Fund A/C>	3,925,000	2.31%
6	Mr Richard Badauskas & Mrs Ramune Badauskas	3,800,000	2.23%
7	Mr Kimbal James Trevor <Trevor Super Fund A/C>	3,720,000	2.19%
8	Mr Brody Scott Leo	3,700,000	2.17%
9	Mr Vincenzo Brizzi & Mrs Rita Lucia Brizzi <Brizzi Family S/F A/C>	2,750,000	1.62%
10	Mr Adam Broadribb	2,261,871	1.33%
11	Mr Peter David Kaplan	2,060,000	1.21%
12	Japag Pty Limited	2,000,000	1.17%
13	Ms Esta Navuga	2,000,000	1.17%
14	Mr Robert Anthony Oliff	1,900,000	1.12%
15	Palazzo Nominees Pty Ltd <Palazzo Investments A/C>	1,750,000	1.03%
16	ANZ Nominees Limited <Cash Income A/C>	1,572,094	0.92%
17	Berne No 132 Nominees Pty Ltd <376804 A/C>	1,546,928	0.91%
18	Schamander Nominees Pty Ltd	1,540,000	0.90%
19	Gateway Mining NL	1,350,000	0.79%
20	Mr Robert Cameron Galbraith & Mrs Jane Amanda Galbraith <Camanda Super Fund A/C>	1,275,000	0.75%
<b>Total</b>		<b>103,855,128</b>	<b>62.18%</b>